

Export duty turns India into a net steel importer in July, the first time since Jan 2021

Exports, at 156,000 tonnes, dipped to the lowest since June 2019 on slack demand

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India became a net importer of steel in July or the first time since January 2021 with exports slumping during the month.

Around 444,000 tonnes of finished steel were imported, an 8 per cent increase year-on-year, Steel Ministry data accessed by *BusinessLine* shows.

The import of total finished steel was valued at ₹19,068 crore (\$2,449 million), sources say.

However, if sales for April-July are considered, then India continues to remain a net exporter of steel. Imports during this period rose by over 3 per cent to 1.61 million tonnes (mt).

Some quantities booked at cheaper prices from countries like Russia are

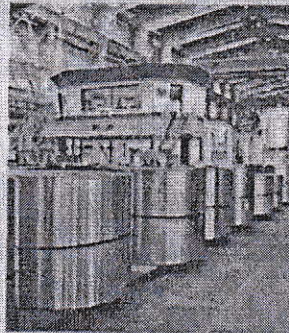
also expected to come in during the next few months, thereby the increasing import numbers.

Ministry data shows that, volume-wise, non-alloy hot rolled coil/strip was the most imported item (35 per cent of non-alloyed items) between April and July, and 0.307 mt was brought in, up 23 per cent y-o-y.

Exports hit

July exports stood at 156,000 tonnes, which is the lowest since June 2019. Finished steel comprises alloy and non-alloy steel.

Trade sources say the levy of 15 per cent export duty on steel products from May 22 has hit exports. Moreover, weakening global demand because of recessionary pressures has also had an impact.



Govt data shows that non-alloy hot rolled coil was the item most imported

With the export duty, Indian steel remains costlier than Chinese offerings.

"The export duty led to a fall in shipments from India. We hope this is an aberration and numbers will change in the coming months," the source said.

Category-wise Imports

Among imported items, for July, hot rolled coil and strip imports totalled 99,000

tonnes, up 111 per cent y-o-y, followed by GP/GC sheets and coils, with 75,400 tonnes coming in, up 10 per cent y-o-y.

Electrical sheet imports fell over 50 per cent, y-o-y, while hot rolled coil purchases dipped 95 per cent.

Overall, non-flat product imports fell 49 per cent y-o-y, while flat product imports dropped over 4 per cent, y-o-y. However, stainless steel and alloy imports rose 46 per cent, y-o-y, to 209,000 tonnes.

Imports from Korea

Volume-wise, Korea (0.713 mt) was the biggest supplier in the April-July period, with shipments up 8 per y-o-y.

This was followed by China (0.35 mt, up 23 per cent) and Indonesia (0.11 mt, up 130 per cent).

Imports from Japan and Taiwan fell 30 per cent and 25 per cent, respectively.